

PROPOSAL #6

CONSTITUTION- ARTICLE IV- OFFICERS Section 4. AME, PAC, Inc. Contributions		
Current Wording	Proposed Amendments	If Adopted, Will Read
All Executive Officers must make bi-weekly contributions to AME, PAC, Inc. for the duration of their term. In the event the officer requests a rebate of their PAC contributions, their term of office will be terminated after ninety (90) days and their office shall be considered vacant. UD2007	All Executive Officers must make bi-weekly contributions to AME, PAC, Inc. for the duration of their term. In the event the officer requests a rebate of their PAC contributions, their term of office will be terminated after ninety (90) days and their office shall be considered vacant. UD2007	

Proposed By: Linda McGregor, Patient Care

Rationale: See Attachments (3) Titled:

1. Justification to eliminate Section 4 of Art. 4 (1 Page)
2. SSFs and Nonconnected PACs (3 Pages)
3. Code of Federal Regulations (4 Pages) (SSFs)

Constitution and Bylaws Committee Comments:

DISPOSITION:

Adopted: ☐

Rejected: ☐

Amended: _____

Referred: _____

Other: _____



PROPOSAL FOR AMENDMENT TO CONSTITUTION AND BY-LAWS:

To: The Constitution and By-Laws Committee:

Date: 9/1/15

The undersigned member submits for your consideration, the following proposal to amend the AME Constitution and By-Laws:

Proposer: Linda McGarver

Please Check One:

☒ Constitution ☐ By-Law

Unit of Proposer (if applicable): Patient Care

TITLE OF ARTICLE AND/OR SECTION TO BE AMENDED: Article IV - Officers,
Section 4. AME, PAC, Inc. Contributions

State the exact **present** language which you are seeking to change: (Attach additional sheets if necessary).

All Executive Officers must make bi-weekly
contributions to AME, PAC, Inc for the duration of
their term. In the event the officer requests
a rebate of their PAC contributions, their term of
office will be terminated after ninety (90) days
and their office shall be considered vacant.

State the exact **new** language you wish to substitute for the present language: (Attach additional sheets if necessary).

(Eliminate Section 4)

Justification for Proposed Amendment. See Attachments (3) titled:

- 1) Justification to eliminate Section 4 of Art. 4 (1 page)
- 2) SSFs and Nonconnected PACs (3 pages)
- 3) Code of Federal Regulations (4 pages) (SSFs)

Signature of Member Linda McGarver

Justification to eliminate Section 4 of Article IV of Constitution:

Per Constitution: Article XI – Legislative and Political Action and Bylaws: Article IX – AME, PAC, INC.: Section 1. Establishment:

“The Association shall establish a Legislative and Political Action Committee in accordance with State and Federal guidelines, to further the political philosophies that are in the best interest of the members of the Association, to be called AME, PAC, Inc. “

SCAME has used PAC funds and union resources to endorse candidates for federal office, hold fundraisers for candidates for federal office, and solicited members to volunteer for candidates for federal office, in addition to union leaders using their positions to publicly endorse candidates for federal office.....all subject to federal guidelines.

Attached are federal guidelines for PACs of Labor organizations, aka Separate Segregated Funds (SSF). These laws apply to private and public unions, state and federal PACs. Per the Code of Federal Regulations: Title 11 – Federal Elections: Section 114.5:

(a)(2)(ii): “That an individual is free to contribute more or less than the guidelines suggest and the corporation or labor organization will not favor or disadvantage anyone by reason of the amount of their contribution or their decision not to contribute. “

(a) (4) “Any persons soliciting an employee or member for a contribution to a separate segregated fund must inform the employee or member at the time of such solicitation of his or her right to refuse to so contribute without any reprisal.”

From FEC’s SSFs and Nonconnected PACs:

“...under Commission Regulations, SSFs must inform their solicitees of the political purpose of the SSF and of the individual’s right to refuse to contribute without reprisal.”

AME’s C & B has been in violation of federal law for eight years, violating members’ rights to refuse to contribute without reprisal. Denying the members the right to represent their employee organization if they don’t pay PAC is a form of reprisal, and disadvantages members that don’t pay PAC, and favors members that do.

Also, it’s a violation of AME’s Bill of Rights: Section 1. Membership:

“Any person otherwise eligible for membership in this organization shall be accepted without regard to race, creed, color, national origin, sex, age physical handicap, sexual orientation, or political belief.”

People are allowed to run for office without regard to race, creed, color, national origin, sex, age physical handicap, sexual orientation....but discriminated against for their political beliefs.

SSFs and Nonconnected PACs

Published in May 2008

Note: Portions of this publication may be affected by the Supreme Court's decision in Citizens United v. FEC. Essentially, the Court's ruling permits corporations and labor organizations to use treasury funds to make independent expenditures in connection with federal elections and to fund electioneering communications. The ruling did not affect the ban on corporate or union contributions or the reporting requirements for independent expenditures and electioneering communications. The Commission is studying the Court's opinion and will provide additional guidance as soon as possible.

The press and public refer to all nonparty, noncandidate committees as PACs or political action committees. However, the Act and Commission Regulations distinguish between two types of PACs: separate segregated funds and nonconnected political committees (or nonconnected PACs). The article below discusses some of the major differences between these two types of political committees.

What is the principal difference between separate segregated funds and other PACs?

The Act prohibits corporations (profit or nonprofit), labor organizations and incorporated membership organizations from making direct contributions or expenditures in connection with federal elections. 2 U.S.C. §441b. These organizations may, however, sponsor a separate segregated fund (SSF), popularly called a PAC, which collects contributions from a limited class of individuals and uses this money to make contributions and expenditures to influence federal elections. 11 CFR 100.6. As the sponsor of the SSF (i.e., its "connected organization"), the corporation, labor organization or incorporated membership organization may absorb all the costs of establishing and operating the SSF and soliciting contributions to it. These administrative expenses are fully exempted from the Act's definitions of "contribution" and "expenditure." 11 CFR 114.1(a)(2)(iii).

By contrast, a nonconnected political committee, another type of PAC, is financially independent. This means that the nonconnected political committee must pay for its own administrative expenses, using the contributions it raises. Although an organization may spend funds to establish or support a nonconnected PAC, these expenditures are considered contributions to the PAC and are subject to the dollar limits and other requirements of the Act.

Do the reporting requirements vary for SSFs and nonconnected PACs?

Yes. An SSF is not required to report any fundraising or administrative expenses that are paid for by its sponsoring organization. (The SSF must, however, report these expenses if it pays for them.) On the other hand, a nonconnected PAC must report all its operating and solicitation expenses.

Are different restrictions placed on the groups of individuals who may be solicited by SSFs and nonconnected political committees?

Yes. SSFs may solicit only certain groups of individuals specifically identified in the Act and Commission Regulations, while nonconnected PACs may solicit contributions from the general public. For example, a corporation with capital stock and its SSF may solicit only the corporation's stockholders, executive and administrative personnel and the families of both groups. 11 CFR 114.5(g)(1). A labor union and its SSF may solicit only union members and their families. 11 CFR 114.5(g)(2). Twice a year, SSFs and their sponsoring organizations may expand their solicitations to include certain individuals outside the normal restrictions; the expanded groups are also specifically limited by the law. 11 CFR 114.6.

Do SSFs have any special requirements in soliciting contributions that nonconnected PACs do not have?

Yes. For example, under Commission Regulations, SSFs must inform their solicitees of the political purpose of the SSF and of the individual's right to refuse to contribute without reprisal. SSFs are specifically prohibited from using threats of physical force, job discrimination or financial reprisal when soliciting contributions. Moreover, if the SSF uses a guideline in soliciting contributions, the solicitees must be informed that they are free to contribute more or less than the amount stated. In addition, SSFs may not accept as contributions any dues or fees obtained as a condition of membership or employment. [11 CFR 114.5\(a\)](#).

Nonconnected political committees are not subject to these solicitation restrictions. On the other hand, solicitations by nonconnected PACs that are made through public political advertising must include an authorization notice indicating who paid for and authorized the solicitation. This type of notice is not required on SSF solicitations. [11 CFR 110.11\(a\)\(3\)](#).

Do the registration requirements for an SSF differ from those for nonconnected PACs?

Yes. An SSF must register within 10 days of its establishment by its sponsoring organization. [11 CFR 102.1\(c\)](#). A nonconnected PAC, however, must register as a political committee within 10 days after it has received contributions or made expenditures aggregating in excess of \$1,000. [11 CFR 102.1\(d\)](#).

Are the titles chosen for SSFs and nonconnected PACs subject to different requirements?

Yes. The Act and Commission Regulations require an SSF to include the name of its sponsoring organization in its official title. [2 U.S.C. §432\(e\)\(5\)](#); [11 CFR 102.14\(c\)](#). The Act places no such restriction on the title that a nonconnected PAC uses. Neither committee, however, may include the name of a candidate in its title.

May both an SSF and a nonconnected PAC contribute up to \$5,000 to each of a candidate's election campaigns?

Yes. Provided the SSF or the nonconnected PAC has qualified as a multicandidate committee by having:

1. been registered with the Commission at least six months,
 2. received contributions from over 50 persons, and
 3. made contributions to at least five candidates for federal office.
- [2 U.S.C. §441a\(a\)\(5\)](#).

What other requirements of the Act and FEC Regulations apply to both SSFs and nonconnected PACs?

Most of the basic requirements of the Act and Regulations are the same for SSFs and nonconnected political committees. For example, the prohibitions and limits on contributions apply equally to both SSFs and nonconnected PACs. In addition, both types of committees must fulfill the same basic recordkeeping and reporting requirements, although an SSF does not have to report operating expenses paid for by its sponsoring organization (see above). Finally, SSFs and nonconnected PACs may support candidates in the same ways, that is, by making monetary and in-kind contributions to candidates, by contributing to their political parties and by making independent expenditures to support or oppose candidates.

*This publication provides guidance on certain aspects of federal campaign finance law. This publication is not intended to replace the law or to change its meaning, nor does this publication create or confer any rights for or on any person or bind the Federal Election Commission (Commission) or the public. The reader is encouraged also to consult the Federal Election Campaign Act of 1971, as amended (2 U.S.C. 431 *et seq.*), Commission*

regulations (Title 11 of the Code of Federal Regulations), Commission advisory opinions, and applicable court decisions. For further information, please contact:

*Federal Election Commission
999 E Street, NW
Washington, DC 20463
(800) 424-9530; (202) 694-1100
info@fec.gov
www.fec.gov*

(top of page)

Code of Federal Regulations

Title 11 - Federal Elections

Volume: 1

Date: 2014-01-01

Original Date: 2014-01-01

Title: Section 114.5 - Separate segregated funds.

Context: Title 11 - Federal Elections. CHAPTER I - FEDERAL ELECTION COMMISSION.
SUBCHAPTER A - GENERAL. PART 114 - CORPORATE AND LABOR ORGANIZATION
ACTIVITY.

§ 114.5 Separate segregated funds.

(a) *Voluntary contributions to a separate segregated fund.* (1) A separate segregated fund is prohibited from making a contribution or expenditure by utilizing money or anything of value secured by physical force, job discrimination, financial reprisals, or the threat of force, job discrimination, or financial reprisal; or by dues, fees, or other monies required as a condition of membership in a labor organization or as a condition of employment or by monies obtained in any commercial transaction. For purposes of this section, fees or monies paid as a condition of acquiring or retaining membership or employment are monies required as a condition of membership or employment even though they are refundable upon request of the payor.

(2) A guideline for contributions may be suggested by a corporation or a labor organization, or the separate segregated fund of either, provided that the person soliciting or the solicitation informs the persons being solicited—

(i) That the guidelines are merely suggestions; and

(ii) That an individual is free to contribute more or less than the guidelines suggest and the corporation or labor organization will not favor or disadvantage anyone by reason of the amount of their contribution or their decision not to contribute.

A corporation or labor organization or the separate segregated fund of either may not enforce any guideline for contributions.

(3) Any person soliciting an employee or member for a contribution to a separate segregated fund must inform such employee or member of the political purposes of the fund at the time of the solicitation.

(4) Any persons soliciting an employee or member for a contribution to a separate segregated fund must inform the employee or member at the time of such solicitation of his or her right to refuse to so contribute without any reprisal.

(5) Any written solicitation for a contribution to a separate segregated fund which is addressed to an employee or member must contain statements which comply with the requirements of paragraphs (a) (3) and (4) of this section, and if a guideline is suggested, statements which comply with the requirements of paragraph (a)(2) of this section.

(b) *Use of treasury monies.* Corporations, labor organizations, membership organizations, cooperatives, or corporations without capital stock may use general treasury monies, including monies obtained in commercial transactions and dues monies or membership fees, for the establishment, administration, and solicitation of contributions to its separate segregated fund. A corporation, labor organization, membership organization, cooperative, or corporation without capital stock may not use the establishment, administration, and solicitation process as a means of exchanging treasury monies for voluntary contributions.

- (1) A contributor may not be paid for his or her contribution through a bonus, expense account, or other form of direct or indirect compensation.
- (2) A corporation, labor organization, membership organization, cooperative, or corporation without capital stock may, subject to the provisions of 39 U.S.C. 3005 and chapter 61, title 18, United States Code, utilize a raffle or other fundraising device which involves a prize, so long as State law permits and the prize is not disproportionately valuable. Dances, parties, and other types of entertainment may also be used as fundraising devices. When using raffles or entertainment to raise funds, a reasonable practice to follow is for the separate segregated fund to reimburse the corporation or labor organization for costs which exceed one-third of the money contributed.
- (3) If the separate segregated fund pays any solicitation or other administrative expense from its own account, which expense could be paid for as an administrative expense by the collecting agent, the collecting agent may reimburse the separate segregated fund no later than 30 calendar days after the expense was paid by the separate segregated fund.
- (c) *Membership in separate segregated funds.* (1) A separate segregated fund established by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock may provide that persons who contribute a certain amount to its separate segregated fund will become *members* of its separate segregated fund, so long as—
 - (i) The fund accepts contributions of all amounts, subject to the limitations of part 110;
 - (ii) Subject to paragraph (c)(1)(iii) of this section, nothing of value may be given in return for or in the course of membership;
 - (iii) The fund may use membership status for intangible privileges such as allowing members only to choose the candidates to whom the fund will contribute.
- (2) The fact that the separate segregated fund of a corporation, labor organization, membership organization, cooperative, or corporation without capital stock is a *membership group* does not provide the corporation, labor organization, membership organization, cooperative, or corporation without capital stock with any greater right of communication or solicitation than the corporation, labor organization, membership organization, cooperative, or corporation without capital stock is otherwise granted under this part.
- (d) *Control of funds.* A corporation, membership organization, cooperative, corporation without capital stock, or labor organization may exercise control over its separate segregated fund.
- (e) *Disclosure.* Separate segregated funds are subject to the following disclosure requirements:
 - (1) A corporation or labor organization is not required to report any payment made or obligation incurred which is not a contribution or expenditure, as defined in § 114.1(a), except those reporting requirements specifically set forth in this section.
 - (2) A membership organization or corporation is not required to report the cost of any communication to its members or stockholders or executive or administrative personnel, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office, except that—
 - (i) The costs incurred by a membership organization, including a labor organization, or by a corporation, directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate) shall, if those costs exceed \$2,000 per election, be reported in accordance with 11 CFR 100.134(a); and
 - (ii) The amounts paid or incurred for legal or accounting services rendered to or on behalf of a candidate or political committee solely for the purpose of ensuring compliance with the provisions of the Act or chapter 95 or 96 of the Internal Revenue Code of 1954 paid by a corporation or labor organization which is the regular employer of the individual rendering such services, shall be reported in accordance with the provisions of part 104.

(3) A separate segregated fund is subject to all other disclosure requirements of political committees as set forth in part 104.

(f) *Contribution limits.* Separate segregated funds are subject to the contribution limitations for political committees set forth in part 110. (See particularly § 110.3).

(g) *Solicitations.* Except as specifically provided in §§ 114.6, 114.7, and 114.8, a corporation and/or its separate segregated fund or a labor organization and/or its separate segregated fund is subject to the following limitations on solicitations:

(1) A corporation or a separate segregated fund established by a corporation is prohibited from soliciting contributions to such fund from any person other than its stockholders and their families and its executive or administrative personnel and their families. A corporation may solicit the executive or administrative personnel of its subsidiaries, branches, divisions, and affiliates and their families. For purposes of this section, the factors set forth at 11 CFR 100.5(g)(4) shall be used to determine whether an organization is an affiliate of a corporation.

(2) A labor organization, or a separate segregated fund established by a labor organization is prohibited from soliciting contributions to such a fund from any person other than its members and executive or administrative personnel, and their families.

(h) *Accidental or inadvertent solicitation.* Accidental or inadvertent solicitation by a corporation or labor organization, or the separate segregated fund of either, of persons apart from and beyond those whom it is permitted to solicit will not be deemed a violation, provided that such corporation or labor organization or separate segregated fund has used its best efforts to comply with the limitations regarding the persons it may solicit and that the method of solicitation is corrected forthwith after the discovery of such erroneous solicitation.

(i) *Communications paid for with voluntary contributions.* A separate segregated fund may, using voluntary contributions, communicate with the general public, except that such communications may not solicit contributions to a separate segregated fund established by a corporation, labor organization, membership organization, cooperative, or corporation without capital stock, unless such solicitation is permitted under paragraph (g) of this section.

(j) *Acceptance of contributions.* A separate segregated fund may accept contributions from persons otherwise permitted by law to make contributions.

(k) *Availability of methods.* Any corporation, including its subsidiaries, branches, divisions, and affiliates, that uses a method of soliciting voluntary contributions or facilitating the making of voluntary contributions from its stockholders or executive or administrative personnel and their families, shall make that method available to a labor organization representing any members working for the corporation, its subsidiaries, branches, divisions, and affiliates for soliciting voluntary contributions or facilitating the making of voluntary contributions from its members and their families. Such method shall be made available on the written request of the labor organization and at a cost sufficient only to reimburse the corporation for the expenses incurred thereby. For example—

(1) If a corporation, including its subsidiaries, branches, divisions, or affiliates utilizes a payroll deduction plan, check-off system, or other plan which deducts contributions from the dividend or payroll checks of stockholders or executive or administrative personnel, the corporation shall, upon written request of the labor organization, make that method available to members of the labor organization working for the corporation, its subsidiaries, branches, divisions, or affiliates, who wish to contribute to the separate segregated fund of the labor organization representing any members working for the corporation, or any of its subsidiaries, branches, divisions, or affiliates. The corporation shall make the payroll deduction plan available to the labor organization at a cost sufficient only to reimburse the corporation for the actual expenses incurred thereby.

(2) If a corporation uses a computer for addressing envelopes or labels for a solicitation to its stockholders or executive or administrative personnel, the corporation shall, upon written request, program the computer to enable the labor organization to solicit its members. The corporation shall charge the labor organization a cost sufficient only to reimburse the corporation

for the actual expenses incurred in programming the computers and the allocated cost of employee time relating to the work, and the materials used.

(3) If a corporation uses corporate facilities, such as a company dining room or cafeteria, for meetings of stockholders or executive or administrative personnel at which solicitations are made, the corporation shall upon written request of the labor organization allow that labor organization to use existing corporate facilities for meetings to solicit its members. The labor organization shall be required to reimburse the corporation for any actual expenses incurred thereby, such as any increase in the overhead to the corporation and any cost involved in setting up the facilities.

(4) If a corporation uses no method to solicit voluntary contributions or to facilitate the making of voluntary contributions from stockholders or executive or administrative personnel, it is not required by law to make any method available to the labor organization for its members. The corporation and the labor organization may agree upon making any lawful method available even though such agreement is not required by the Act.

(5) The availability of methods of twice yearly solicitations is subject to the provisions of § 114.6 (e).

(l) *Methods permitted by law to labor organizations.* Notwithstanding any other law, any method of soliciting voluntary contributions or of facilitating the making of voluntary contributions to a separate segregated fund established by a corporation, permitted by law to corporations with regard to stockholders and executive or administrative personnel, shall also be permitted to labor organizations with regard to their members and executive or administrative personnel.

(2 U.S.C. 441b, 437d(a)(8)) [41 FR 35955, Aug. 25, 1976, as amended at 45 FR 21210, Apr. 1, 1980; 48 FR 26303, June 7, 1983; 48 FR 50508, Nov. 2, 1983; 54 FR 34114, Aug. 17, 1989; 54 FR 48580, Nov. 24, 1989; 67 FR 78681, Dec. 26, 2002]